

## CHAPTER SEVEN

### COMMUNITY RATING SYSTEM

- A. Introduction and Overview
- B. Eligible Activities and Credit Points
- C. How to Apply and Deadlines

#### A. Introduction

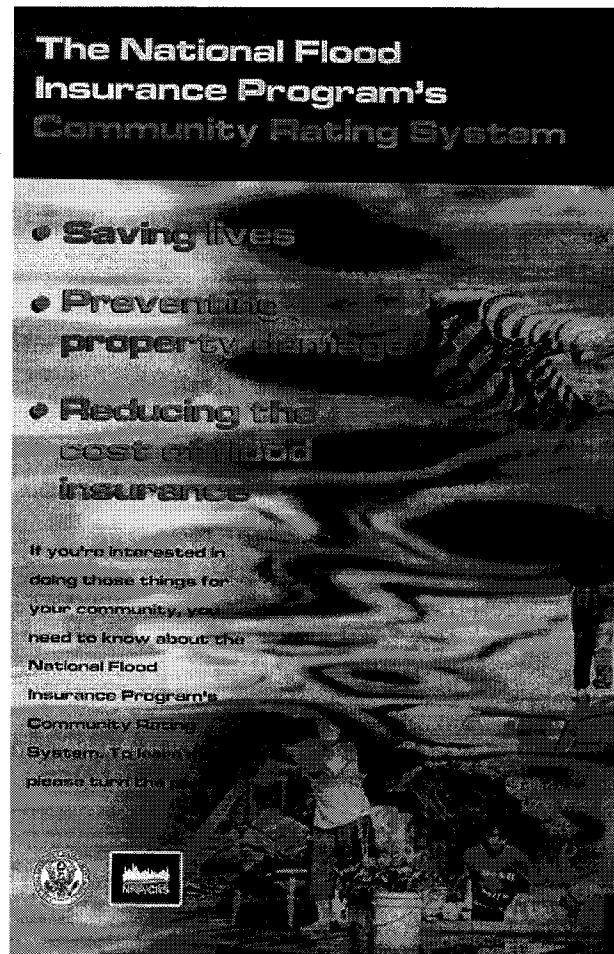
The Community Rating System (CRS) was initiated in 1990 to award additional incentive and credit to communities which undertake activities which go beyond the minimum required to be in the National Flood Insurance Program (NFIP). Because these additional activities reduce flood damage and flood insurance claims, the community is rewarded with lower flood insurance premiums for those residents who carry flood insurance.

Flood insurance premium credits are available in communities based on their CRS classification. There are 10 classes, with Class 1 having the greatest premium credit and Class 10 having no premium credit. A community's CRS class is based on the number of credit points calculated for the activities undertaken to reduce flood losses, facilitate accurate insurance rating, and promote the awareness of flood insurance. A community is automatically a Class 10, unless it applies for CRS credit.

Community participation in CRS is voluntary. Any community in full compliance of the rules and regulations of the NFIP (having a "no problem" Community Assistance Visit) may apply for CRS credit. The applicant must document that it is implementing one or more of the activities recognized in the CRS schedule. The schedule identifies 18 creditable activities and assigns credit points based on how well the activity affects the goals of CRS.

The community reviews the schedule and determines which activities it wishes to undertake that deal best with the local flooding problems and that are within its resources. Worksheets are provided to determine the creditable points for the level of each activity undertaken. A community applies for CRS classification by sending completed application worksheets with appropriate documentation to FEMA Region III by December 15th of its initial year. The only cost to the community is staff time to prepare the application, document the activities undertaken, and implement the activity. A simple form allows the community to reapply yearly by October 1st to remain at the same level, but additional worksheets must be submitted if the community wishes to change its creditable activities.

The community's performance on the activities it undertakes is reviewed and verified by ISO Commercial Risk Services, Inc. (ISO) usually within 6 months after the deadline. If a community is not properly or fully implementing the credited activities, its credit points, and possibly, its CRS classification, will be revised. The flood insurance rate reduction takes effect October 1 of the year following initial application. For the first year, all communities are awarded a Class 9, or 5% reduction in premiums. After that, the CRS classification is based on the credit points verified for the community by ISO.



It is important to note that reduction in flood insurance rates is only one of the benefits communities receive from participation in the CRS. Others include increased public safety, reduction of damages to property and public infrastructure, avoidance of economic disruption and losses, reduction of human suffering, protection of the environment, and improved public relations. Since few of the CRS activities will produce yearly premium reductions in excess of their implementation costs, the community must consider all the benefits the activity will provide to determine if it is worth implementing.

Recently, additional credit has been provided for natural and beneficial functions of floodplains maintained in their natural state. Floodplains provide storage to allow flood waters to spread out, and reduce flood velocities and peak flows downstream. Natural floodplains provide ancillary beneficial functions, such as improve water quality, filter sediments and impurities, moderate water temperatures, recharge groundwater, and provide habitat for diverse flora and fauna. Additional credit is provided within some of the established 18 activities of the program. For example, if natural floodplains are preserved or restored to their natural state to protect these functions, additional credit is provided under Activity 420, Open Space Preservation.

A Short Form Application is now available which provides a simpler approach to apply for initial classification, based on more common activities implemented by most communities. However, it often forces the community to accept default values which may yield less points.

For communities considering applying, the Coordinator's Manual, Short Form Application, and further information and assistance is available from the State Coordinating Office or from NFIP/CRS Publications (317) 848-2898, or by writing:

Flood Publications  
NFIP/CRS  
P.O. Box 501016  
Indianapolis, IN 46250-1016

## B. Eligible Activities and Credit Points

What You Can Do to Get Credit			
The CRS grants credit for 18 different activities that fall into four series.			
Series	Public Information	Maximum Points*	Average Points*
300			
	This series credits programs that advise people about the flood hazard, flood insurance, and ways to reduce flood damage. The activities also provide data that insurance agents need for accurate flood insurance rating.		
310	<b>Elevation Certificates</b> • Maintain FEMA elevation certificates for new construction in the floodplain. (As a minimum, a community must maintain certificates for buildings built after the date of its CRS application.)	142	70
320	<b>Map Information</b> • Provide Flood Insurance Rate Map (FIRM) information to people who inquire and purchase this service.	140	140
330	<b>Outreach Projects</b> • Send information about the flood hazard, flood insurance, flood protection measures, and/or the natural and beneficial functions of floodplains to flood-prone residents or all residents of a community.	265	64
340	<b>Hazard Disclosure</b> • Real estate agents advise potential purchasers of flood-prone property about the flood hazard. • Regulations require notice of the hazard.	81	31
350	<b>Flood Protection Library</b> • The public library maintains references on flood insurance and flood protection.	30	20
360	<b>Flood Protection Assistance</b> • Give insurance property owners technical advice on how to protect their buildings from flooding, and publish this service.	66	53
Series 300	total	724	378
Maximum and average points subject to change annually. See the current CRS Coordinator's Manual for the latest information.			

The 18 activities that are listed to the left and below show the maximum points for each activity, and the average points awarded to the communities that have applied. A complete description of each activity, how points are awarded, and directions on filling out the worksheets is found in the NFIP/CRS Coordinator's Manual. The community self-certifies for the initial application by completing the worksheets for the activities it wishes to undertake and calculating the points from the directions in the Manual. Some of the activities are adjusted by a community growth adjustment that rewards growing communities with more points than those that are not experiencing growth.

A community must accumulate at least 500 points to qualify for a Class 9 rating. Each additional 500 points verified will improve the community by one class rating. For example, 1,000 points will qualify the community for a Class 8 rating. At present, each 500 points corresponds to a 5% reduction in flood insurance premiums. A Class 8 community would have a 10% reduction in flood insurance premiums. Communities are advised to assure that they exceed the bare minimum points for a class, as some points may be lost by errors or failure to be able to verify all points credited on the initial application. In addition, the community must keep good records to verify it is implementing the activity.

Series 400	Mapping and Regulations	Maximum Points*	Average Points*
	This series credits programs that provide increased protection to new development.		
410	<b>Additional Flood Data</b> • Develop new flood elevations, floodway data, easements, wave heights, or other regulatory flood hazard data for an area not mapped in detail by the flood insurance study. • Have a more restrictive mapping standard.	360	49
420	<b>Open Space Preservation</b> Guarantee that currently vacant floodplain parcels will be kept free from development.	550	100
430	<b>Higher Regulatory Standards</b> • Require freeboard. • Require soil tests or engineered foundations. • Require compensatory storage. • Zone the floodplain for minimum lot sizes of 1 acre or larger. • Require to protect sand dunes. • Have regulations tailored to protect critical facilities or areas subject to special flood hazards (for example, artificial flood levees, or subsidence).	905	75
440	<b>Flood Data Maintenance</b> • Keep flood and property data on computer records. • Use better base maps. • Maintain elevation reference marks.	160	46
450	<b>Stormwater Management</b> • Regulate new development throughout the watershed to ensure that post-development runoff is no worse than pre-development runoff. • Regulate new construction to minimize soil erosion and protect or improve water quality.	405	87
<b>Series 400 total</b>		<b>2,380</b>	<b>359</b>

Series 500	Flood Damage Reduction	Maximum Points*	Average Points*
	This series credits programs that reduce the flood risk to existing development.		
510	<b>Repetitive Loss Projects</b> • Devote special attention to repetitively flooded areas. (This is a minimum requirement for all repetitive loss communities.)	441	17
520	<b>Acquisition and Relocation</b> • Acquire and/or relocate flood-prone buildings so that they are out of the floodplain.	1,600	83
530	<b>Retrofitting</b> (Credit is based on the number of floodproofed or elevated pre-FIRM buildings in the floodplain.)	1,400	26
540	<b>Drainage System Maintenance</b> • Conduct periodic inspections of all channels and retention basins, and remove debris as needed.	380	254
<b>Series 500 total</b>		<b>3,821</b>	<b>380</b>
Series 600	Flood Preparedness	Maximum Points*	Average Points*
	This series credits flood warning, levee safety, and dam safety projects.		
610	<b>Flood Warning Program</b> • Provide early flood warnings to the public, and have a detailed flood response plan keyed to flood crest predictions.	200	120
620	<b>Levee Safety</b> • Maintain levees not otherwise credited in the flood insurance rating system that provide some flood protection.	900	254
630	<b>Dam Safety</b> (All communities in a state with an approved dam safety program receive some credit.)	120	64
<b>Series 600 total</b>		<b>1,220</b>	<b>438</b>
<b>All Series total</b>		<b>8,145</b>	<b>1,555</b>

In Maryland, the state program for dam safety awards each community 75 points (Activity 630), and stormwater management qualifies most communities for 80 points (Activity 450). The State Coordinating Office will assist communities with flood protection assistance (Activity 360) to qualify for 53 points. Communities maintain elevation certificates for at least 56 points (Activity 310), and do map determinations for 140 points (Activity 320). The one-foot freeboard requirement is worth 25 points under Activity 430. This already puts the community well over 400 points. Wetland protection regulations allow communities to qualify any wetland floodplains under open space protection (Activity 420). Maryland communities should have no problem qualifying for the CRS based on programs and activities in effect or that could be initiated easily, and the State Coordinating Office will be glad to assist the community to determine how additional points may be justified.

There are a few required activities for CRS. All communities must maintain FEMA elevation certificates after the date of application (Activity 310). However, the Model Ordinance requires this, so Maryland communities are doing it already. Communities with 10 or more repetitive loss properties must map the repetitive loss properties and prepare, adopt, and implement a plan to reduce damage in repetitive loss areas (Activity 510).

### How Much Discount Property Owners in Your Community Can Get

Rate Class	Discount	Credit Points Required
1	45%	4,500 +
2	40%	4,000 - 4,499
3	35%	3,500 - 3,999
4	30%	3,000 - 3,499
5	25%	2,500 - 2,999
6	20%	2,000 - 2,499
7	15%	1,500 - 1,999
8	10%	1,000 - 1,499
9	5%	500 - 999
10	0%	0 - 499

### **C. How to Apply and Deadlines**

The Application Worksheet (AW-210), signed by the chief executive officer (CEO), designating the CRS coordinator, and indicating the activities applied for, must be returned with the applicable worksheets attached. On this form, the CEO certifies that the activities proposed for credit are being implemented by the community in the manner described in the application, and that the community will continue to implement them unless FEMA is advised otherwise.

Forms 710, to calculate the growth adjustment, and 720, to total all points with the adjustments, should be included. This may be submitted any time before December 15th for consideration that year. Figure 7-3 is a typical calendar of events that is set into motion when application is made. Note that recertification of the same activities must be made by October 1st, but that any modifications are submitted December 15th and are treated as new applications.